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DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-836]

Light-Walled Rectangular Pipe and Tube from Mexico: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2017-2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) finds that sales of light-walled rectangular pipe and tube (LWRPT) from Mexico were made at less than normal value (NV) during the period August 1, 2017 through July 31, 2018.

DATES: Applicable [Insert date of publication in the *Federal Register*.]

FOR FURTHER INFORMATION CONTACT: Samuel Brummitt (Maquilacero) or John Conniff (Regiopytsa), AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-7851 or (202) 482-1009, respectively.

SUPPLEMENTARY INFORMATION:

Background

This review covers two producers or exporters of the subject merchandise, Maquilacero S.A. de C.V. (Maquilacero) and Regiomontana de Perfiles y Tubos S.A. de C.V. (Regiopytsa), and 16 firms that were not selected for individual examination. Commerce published the *Preliminary Results* on October 17, 2019.<sup>1</sup> For events subsequent to the *Preliminary Results*, see

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<sup>1</sup> See *Light-Walled Rectangular Pipe and Tube from Mexico: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2017-2018*, 84 FR 55555 (October 17, 2019) (*Preliminary Results*) and accompanying Preliminary Decision Memorandum (PDM).

the Issues and Decision Memorandum.<sup>2</sup> Commerce conducted this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

Commerce extended the deadline for the final results by 60 days. Accordingly, the deadline for the final results is now April 14, 2020.<sup>3</sup>

### Scope of the Order

Imports covered by the *Order* are shipments of certain welded carbon-quality light-walled steel pipe and tube, of rectangular (including square) cross section, having a wall thickness of less than 4 mm. The term carbon-quality steel includes both carbon steel and alloy steel which contains only small amounts of alloying elements. Specifically, the term carbon-quality includes products in which none of the elements listed below exceeds the quantity by weight respectively indicated; 1.80 percent of manganese, or 2.25 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.15 percent of vanadium, or 0.15 percent of zirconium.

The description of carbon-quality is intended to identify carbon-quality products within the scope. The welded-carbon quality rectangular pipe and tube subject to the *Order* is currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7306.61.50.00 and 7306.61.70.60. This tariff classification is provided for convenience and Customs purposes; however, the written description of the scope of the *Order* is dispositive.

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<sup>2</sup> See Memorandum, “Issues and Decision Memorandum for the Final Results of the 2017-2018 Administrative Review of the Antidumping Duty Order on Light-Walled Rectangular Pipe and Tube from Mexico,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

<sup>3</sup> See Memorandum, “Light-Walled Rectangular Pipe and Tube from Mexico: Extension of Time Limit for Final Results of Antidumping Duty Administrative Review; 2017-2018,” dated January 21, 2020.

For a full description of the scope of the order, *see* Issues and Decision Memorandum.

#### Final Determination of No Shipments

In the *Preliminary Results*, we preliminarily found that Fabricaciones y Servicios de Mexico (FASEMEX) had no shipments of subject merchandise during the POR. Following the publication of the *Preliminary Results*, we received no comments from interested parties regarding FASEMEX, nor has any party submitted record evidence which would call our preliminary determination of no shipments into question. Therefore, for the final results, we continue to find that FASEMEX had no shipments of subject merchandise during the POR. Accordingly, consistent with Commerce's practice, we intend to instruct U.S. Customs and Border Protection (CBP) to liquidate any existing entries of merchandise produced by FASEMEX, but exported by other parties, at the rate for the intermediate reseller, if available, or at the all-others rate.<sup>4</sup>

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this administrative review are addressed in the Issues and Decision Memorandum. A list of the issues that parties raised and to which we responded is attached to this notice as an Appendix. The Issues and Decision Memorandum is a public document and is on-file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. The signed Issues and Decision

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<sup>4</sup> See, e.g., *Magnesium Metal from the Russian Federation: Preliminary Results of Antidumping Duty Administrative Review*, 75 FR 26922, 26923 (May 13, 2010), unchanged in *Magnesium Metal from the Russian Federation: Final Results of Antidumping Duty Administrative Review*, 75 FR 56989 (September 17, 2010).

Memorandum and the electronic versions of the Issues and Decision Memorandum are identical in content.

#### Changes Since the *Preliminary Results*

Based on a review of the record and comments received from interested parties regarding our *Preliminary Results*, we made certain changes to each of the preliminary weighted-average dumping margins for Maquilacero and Regiopytsa.<sup>5</sup>

#### Final Results of the Review

As a result of this review, Commerce determines the following weighted-average dumping margins exist for the mandatory respondents Maquilacero and Regiopytsa for the period August 1, 2017 through July 31, 2018. In accordance with section 735(c)(5)(A) of the Act, Commerce calculated a weighted-average dumping margin for the firms not selected for individual examination using the weighted-average dumping margins calculated for the mandatory respondents, which are not zero, *de minimis*, or determined entirely on the basis of facts available.<sup>6</sup>

| <b>Producer and/or Exporter</b>    | <b>Weighted-Average Dumping Margin (percent)</b> |
|------------------------------------|--|
| Aceros Cuatro Caminos S.A. de C.V. | 3.29   |
| Arco Metal S.A. de C.V.            | 3.29   |
| Galvak, S.A. de C.V.               | 3.29   |

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<sup>5</sup> See Issues and Decision Memorandum at Comments 1, 6, 7, 8, 9, and 10.

<sup>6</sup> In the case of two mandatory respondents, our practice is to calculate: (A) a weighted average of the dumping margins calculated for the mandatory respondents; (B) a simple average of the dumping margins calculated for the mandatory respondents; and (C) a weighted average of the dumping margins calculated for the mandatory respondents using each company's publicly ranged values for the merchandise under consideration. We compare (B) and (C) to (A) and select the rate closest to (A) as the most appropriate rate for all other companies. We have applied that practice here. See Memorandum, "Antidumping Duty Administrative Review of Light-Walled Rectangular Pipe and Tube from Mexico: Calculation of Margin for Respondents Not Selected for Individual Examination," dated April 14, 2020.

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|---|------|
| Grupo Estructuras y Perfiles                  | 3.29 |
| Hylsa S.A. de C.V.                            | 3.29 |
| Industrias Monterrey S.A. de C.V.             | 3.29 |
| International de Aceros, S.A. de C.V.         | 3.29 |
| Maquilacero S.A. de C.V.                      | 3.12 |
| Nacional de Acero S.A. de C.V.                | 3.29 |
| PEASA-Productos Especializados de Acero       | 3.29 |
| Perfiles LM, S.A. de C.V. <sup>7</sup>        | 3.29 |
| Productos Laminados de Monterrey S.A. de C.V. | 3.29 |
| Regiomontana de Perfiles y Tubos S.A. de C.V. | 3.40 |
| Talleres Acero Rey S.A. de C.V.               | 3.29 |
| Ternium Mexico S.A. de C.V.                   | 3.29 |
| Tuberia Laguna, S.A. de C.V.                  | 3.29 |
| Tuberias Aspe                                 | 3.29 |
| Tuberias y Derivados S.A de C.V.              | 3.29 |

#### Disclosure of Calculations

We intend to disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding, in accordance with 19 CFR 351.224(b).

#### Assessment Rates

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<sup>7</sup> See *Light-Walled Rectangular Pipe and Tube from Mexico: Initiation and Expedited Preliminary Results of Changed Circumstances Review*, 82 FR 54322 (November 17, 2017), unchanged in *Light-Walled Rectangular Pipe and Tube from Mexico: Final Results of Changed Circumstances Review*, 83 FR 13475 (March 29, 2018) (determining that Perfiles LM, S.A. de C.V. is the successor-in-interest to Perfiles y Herrerajes).

Commerce shall determine and CBP shall assess antidumping duties on all appropriate entries.<sup>8</sup> For each individually examined respondent whose weighted-average dumping margin is not zero or *de minimis* (i.e., less than 0.50 percent), we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1). Upon issuance of the final results of this administrative review, if an importer-specific assessment rate calculated in the final results is not zero or *de minimis*, Commerce will issue instructions directly to CBP to assess antidumping duties on appropriate entries. Where either the respondent's weighted-average dumping margin is zero or *de minimis*, or an importer-specific assessment rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

For each company which was not individually examined whose weighted-average dumping margin is not zero or *de minimis*, we will instruct CBP to assess antidumping duties at an *ad valorem* rate equal to each company's weighted-average dumping margin noted above. Where a non-examined company's weighted-average dumping margin is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

In accordance with Commerce's "automatic assessment" practice, for entries of subject merchandise during the POR produced by each individually examined respondent for which it did not know that its merchandise was destined for the United States, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.

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<sup>8</sup> In these final results, Commerce applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

We intend to issue assessment instructions directly to CBP 41 days after publication of the final results of this review.

### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the notice of final results of administrative review for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication of the final results of this administrative review, as provided by section 751(a)(2) of the Act: (1) the cash deposit rate for companies noted above will be equal to the weighted-average dumping margin established in the final results of this administrative review; (2) for merchandise exported by producers or exporters not covered in this administrative review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding; (3) if the exporter is not a firm covered in this review, a prior review, or the original investigation, but the producer is, then the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the manufacturer of the subject merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 3.76 percent, the all-others rate established in the less-than-fair-value investigation.<sup>9</sup>

These cash deposit requirements, when imposed, shall remain in effect until further notice.

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<sup>9</sup> See *Light-Walled Rectangular Pipe and Tube from Mexico, the People's Republic of China, and the Republic of Korea: Antidumping Duty Orders; Light-Walled Rectangular Pipe and Tube from the Republic of Korea: Notice of Amended Final Determination of Sales at Less Than Fair Value*, 73 FR 45403 (August 5, 2008).

### Notification to Importers Regarding the Reimbursement of Duties

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during the POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

### Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

### Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213(h) and 351.221(b)(5).

Dated: April 14, 2020.

Jeffrey I. Kessler,  
Assistant Secretary  
for Enforcement and Compliance.



## **Appendix**

### **List of Topics Discussed in the Final Issues and Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Analysis of Comments

- Comment 1: Whether Commerce Should Apply its Normal Cost Methodology to Maquilacero and Regiopytsa
- Comment 2: Whether Section 232 Duties Should be Deducted from Export Price
- Comment 3: Whether Downstream Sales of Auto Parts Made from LWRPT Are Subject Merchandise
- Comment 4: Whether Downstream Sales of Auto Parts Were Made at a Different Level of Trade
- Comment 5: Whether Commerce Should Use Maquilacero's Home Market Sales to Its Affiliate in the Final Margin Calculation
- Comment 6: Whether Commerce Should Correct a Clerical Error in its Margin Calculation for Maquilacero
- Comment 7: Whether Commerce Should Apply a "Transactions Disregarded" Adjustment to the Cost of Steel Coil that Maquilacero purchased from an Affiliate
- Comment 8: Whether Commerce Should Revise Maquilacero's General and Administrative (G&A) Expense Ratio
- Comment 9: Whether Commerce Should Adjust the Costs Maquilacero Assigned to Non-Prime Products
- Comment 10: Whether Commerce Should Correct Two Clerical Errors in Regiopytsa's Margin Calculation
- Comment 11: Whether Commerce Should Assign Perfiles the Weighted-Average Dumping Margin it Received as a Mandatory Respondent in the 2013-2014 Administrative Review

- V. Recommendation

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